

Website Investing Checklist

Source Evaluation - Look at website traffic sources

- Where is the traffic coming from?
 - Geographically? Consider how you're monetizing the site and what type of traffic it needs. If it is ad based, you'll want English speaking countries, preferably the US or UK, for higher ad rates. For ecommerce or affiliate, you'll want a location the seller is in or that you can cheaply ship to.
 - Traffic Medium? Is it all coming from Google? You'll need to be aware that is a risk as updates can happen and take your traffic away in an instant. Any dependence on a single traffic source is a risk you'll need to consider and evaluate. Is it all coming from paid ads? Consider this is spend you'll need to pay for to keep it going and it comes out of total profit and revenue. Is it all coming from social? You'll need to evaluate the risks. Is it direct? This could be a sign of a strong brand, or simply faked traffic. Organic traffic can also be faked with bots. You'll need to dive deep and consider how diversified your traffic and risk is.

Site Expenses

- What are the site expenses?
 - Are you paying for traffic, as you would have noticed during the source evaluation? Remember this comes out of total profit.
 - Are you paying for ecommerce materials and shipping? Consider this in your evaluation.
 - What are hosting and domain costs?
 - Are there any additional costs you may not be aware of?
 - Find and add up all costs so you can get an accurate picture of not only site revenue, but site profit before you purchase. Site multiples are based on profit, not revenue, so you need to know all expenses before making a purchase offer.

Opportunity - This is the fun part.

- What are the opportunities?
 - Here you can look for the ways the site is under monetized. How can you add in or test new ad networks or placements. How can you add in affiliate links or sponsored deals or banner ads. How can you add in ecommerce digital or physical products? What is your long term traffic plan. Can you reach out to related brands or businesses and get sponsored ads or email posts? I've found this to be lucrative in some niches and an easy way to stack new revenue opportunities.
- Do an SEO audit and identify opportunities here

- You can look at site structure, internal linking, keyword research. Make a plan and estimate how much you can grow the site and in what timeframe.
- What are your skills?
 - PR? Running ads? Are you an influencer with millions of loyal followers? Designing a site? Speeding a site up? Conversion optimization?
 - Figure out what you specifically can add to the site, as your special secret sauce can often add a lot to a site and easily bump it up to a new level or value level if you apply your own strengths to the site.
 - Does the site have an email list? A community? A podcast? How can you improve communication with current customers. Can you set up an email list with affiliate links? An autoresponder that sells more effectively? How can you make the community and site visitors trust you and be able to communicate with you more effectively? How can you monetize the current communication channels and add in new ones? Brainstorm here what the opportunities are.
 - Dive deep and make an opportunity map so you can identify the areas you can grow the site both traffic and revenue-wise. This will help you determine if the site has growth potential beyond what you're buying it for.

Timeframe & Overall Risk Evaluation

- How long will it take you to earn your money back if the site hums along as is?
 - Are you ok with that? If yes that is always a good thing.
 - Consider also if you would be ok losing 100% or 50% of the money you put into the site. You shouldn't be spending money you don't have, ie, purchasing a site on your credit card for example, so this is a good way to test that.
- How long will it take you to earn your money back if your opportunities, identified in previous step, work out?
 - I always aim for under a year earn money back period when you add in opportunities. You'll need to consider what makes sense for your own plan and risk tolerance.
- Is the site making what the owner says it is? Is the traffic what the owner says it is? Are expenses?
 - You need to evaluate if you fully understand all aspects of the site, how it makes money and how it gets its traffic. You need to make sure the owner is accurately representing the site, and that they aren't confused about site expenses vs revenue vs profit. Make sure you fully verify all traffic, revenue and expenses, and go even deeper than the owner to make sure you fully understand how the site works and that it is accurately represented.

→ Evaluate all risk and all opportunity, and decide if the site is one you want to pursue further with an offer.

Hope this was helpful!

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